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The Director of Central Intelligence

Washington, D.C. 20505

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National Intelligence Council

NIC NO. 03034-86/1  
25 June 1986

MEMORANDUM FOR: See Distribution

FROM:

[redacted]  
Acting National Intelligence Officer for Europe

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SUBJECT: June Forecast and Warning Report

1. Attached is my report to the DCI based on our warning meeting held on 18 June 1986.

2. Next month's warning meeting will be held on Wednesday, 16 July 1986 at 1025 in room 7-E-62, CIA Headquarters. Please telephone attendance plans to our office [redacted] and have clearance certified by COB 15 July 1986.

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3. I also encourage you to phone in suggestions for the agenda and names of volunteers to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 8 July 1986.

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Attachment:  
a/s

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MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM

Acting National Intelligence Officer for Europe

SUBJECT: June Forecast and Warning Report

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## MAIN DISCUSSION ITEMS

I. Berlin Access: The Lessons of the Latest Flap

A. Discussion. In reconstructing the recent East German probe against four power access to Berlin, analysts cited several factors which might be relevant in future rounds.

The GDR and the Soviets probably miscalculated the firmness of the Allied response. Allied behavior on the Glenicke bridge repairs issue, air corridors and setting new MLM arrangements after the Major Nicholson killing was initially less united. This time, however, their strong and unified stance caught the East off guard and pushed them to compromise even as Allied unity was beginning to fray.

Another new wrinkle was the behind-the-scenes role played by West Germany in arranging a compromise. In effect the two Germanies worked together for the first time on a Berlin issue.

Finally, analysts believe that in the end the incident was counterproductive for the GDR as it tended to reaffirm four power status in Berlin. It also highlighted that East Germany's expanding ties with the West might represent new leverage points in future tests of will.

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B. Warning Notice. The Soviets probably know by now that the Allied solid front had some weak spots and they are likely to work at these weaknesses more diligently in the next round. In addition the Soviets will probably want to tighten their controls on East Germany in future Berlin gambits and try to bend any FRG activism to their ends.

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## II. Yugoslavia and the LCY's Thirteenth Congress

A. Discussion. The Yugoslav party leadership is due for a major rejuvenation at the congress this week but rivalries and serious political and economic problems crowding the national agenda are not likely to diminish soon. Ethnic tensions--especially sharp between Serbs and Albanians --and inflation--now running in triple digits--are the most serious problems for the new leadership.

The old guard is being bypassed. For the first time no Presidium "candidates" are war veterans. The new central committee, after a 75 per cent turnover, will average 46 years old--ten years younger than the current complement. This influx of new blood may give grass roots complaints more of a serious hearing, but the new leaders are inexperienced and more regionally-based than those they replace.

Previous rivalries kept the Presidium divided and ineffective and only Premier Mikulic, with a month in office himself, claims to have a program for recovery. Mikulic is strong-willed and he seems to have early support from the military, but he cannot dictate to the rest as they would probably turn on him.

B. Warning Notice. The need to make an early impact may make the new leaders eager to prove themselves early or slip into the hapless ways of their predecessors. Mikulic may advance fast growth economic policies which conflict with past IMF programs for Yugoslavia. A desire to burnish NAM credentials for the Summit in September may induce Belgrade to be even more critical of the US in Third World councils.

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## MONITORING ITEMS

I. Italy-Libya

A. Discussion. Qadhafi's missile attack on Lampedusa has led the Italian government to reduce ties to Libya

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II. Turkey-Greece

A. Discussion. The Greeks and Turks are continuing their pattern of immoderate rhetoric coupled with occasional moves to contain tensions when they threaten to get out of hand. Looking forward, there are a series of developments which will exacerbate the tensions into early fall. These include--Premier Ozal's early July visit to Turkish Cyprus, Turkey's Aegean exercises through the end of this month, Greek efforts to stop an EC meeting on Turkey in September and a likely rise in Papandreou's anti-Turkish rhetoric prior to municipal elections in October. The risk of an unintended crisis remains high and the two sides seem increasingly inclined to draw the US into the issue.

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